



Tanya E. Schuhmeier
Director, Provider Relations
California MMIS

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October 10, 2016

Subject: Retroactive Rate Adjustments to Physician-Administered Drug Claims

Dear Provider:

In accordance with *Welfare and Institutions Code* (W&I Code), Section 14105.456, the Department of Health Care Services (DHCS) has updated the rates for designated physician-administered drug codes. This update is effective retroactively for dates of service on or after April 1, 2016.

No action is required on your part. Xerox State Healthcare, LLC (Xerox) will adjust the affected claims. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning October 20, 2016, with RAD code **0893: Retroactive rate adjustment**.

The recoveries are authorized under the provisions of W&I Code, Sections 14176 and 14177, and *California Code of Regulations* (CCR), Title 22, Section 51458.1(a)(1). In addition, the W&I Code sections authorize DHCS to enter into repayment agreements with providers or offset overpayments against amounts due. If the total warrant amount is not sufficient to offset the recovery, the negative balance will be converted to an accounts receivable transaction and subtracted from future Medi-Cal reimbursements.

If you disagree with any of these adjustments, you may submit a *Claims Inquiry Form* (CIF) within six months of the new RAD date or you may submit an *Appeal Form* within 90 days of the new RAD date. For CIF completion instructions, please refer to the *CIF Completion* and *CIF Special Billing Instructions* sections in the appropriate Part 2 manual or on the Medi-Cal website (www.medi-cal.ca.gov). For *Appeal Form* completion instructions, please refer to the *Appeal Form Completion* section in the appropriate Part 2 manual or on the Medi-Cal website.

If you have questions regarding these adjustments, please call the Telephone Service Center at 1-800-541-5555, option 5, followed by option 6.

Sincerely,

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